

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF R.	) APPEAL NO. 07-A-2679
GEORGE AND M. JODY TAYLOR from the	) FINAL DECISION
decision of the Board of Equalization of Valley	) AND ORDER
County for tax year 2007.	)

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER was heard on the written record created by the parties. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellants R. George and M. Jody Taylor submitted information for consideration. Respondent Valley County also submitted information for consideration. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. LRM033400E017A.

**The issue on appeal is the market value of a residential property.**

**The decision of the Valley County Board of Equalization modified.**

FINDINGS OF FACT

The assessed improvements' valuation is \$470,130. Appellant requests the improvements value be reduced to \$400,000 (or less).

The subject property is located in McCall. Subject is a 2,704 square foot residence built in 1997, classified as very good grade. Only the value of the residence was assessed because the lot is leased from the State.

Appellant stated that there was a 13% increase in the assessed value of subject from tax year 2006 to 2007, an increase of 66% over the past two years.

The Taxpayers presented a fee appraisal prepared April 19, 2006 by Clearwater Appraisal, Inc. that placed the value of subject at \$430,000. A Clearwater appraiser stated

in a phone conversation with Appellants that subject's 2007 assessed value would be approximately 5-10% lower than the value reported in the 2006 appraisal. Based on this statement Taxpayer determined the assessed value of subject was approximately \$60,000 to \$85,000 above market value and that \$390,000 to \$410,000 would be a more accurate valuation. Clearwater also told Appellants no current MLS listings for similar properties in the area are priced anywhere near as high as the assessed value of subject.

Taxpayers performed a telephone poll of Realtors which indicated properties have been selling for less, over the last two years.

Appellants alleged the County's description of subject in the 2007 property assessment was incorrect. Appellants wrote that according to the report, subject had air conditioning and central heat, when in actuality subject has neither. The Assessor's report stated subject had two bathrooms, each with four fixtures, four bedrooms and a formal dining room. Taxpayers stated subject actually has one four fixture bathroom, one three fixture bathroom, three bedrooms and no formal dining room. Taxpayers asserted the reported square footage of 2,704 was inaccurate and that the actual footage of subject was between 2,620 to 2,640 square feet. This figure was ascertained from subject's construction plans.

Appellants referenced a letter from the Assessor's office titled "Addendum to Letter Dated January 18, 2008" in which the County stated the home was valued at \$160 per square foot. A spreadsheet submitted by the County however, revealed subject was valued at \$169 per square foot. Taxpayers stated when the square footage of subject (2,704 square feet) is divided by the assessed value of the home (\$470,130) the value was

actually \$173.82 per square foot

Taxpayers alleged Respondent's sales were not comparable to subject because details concerning the sale properties were not provided.

The Assessor submitted two sale properties to support the assessed value of subject. The properties sold for \$599,000 and \$729,000 or \$236 and \$155 per square foot after extracting the land value. The sale properties had a total improvement areas of 2,294 and 3,233 square feet. The properties were located approximately 1.9 and 4.6 miles from subject and were classified as very good grade.

Respondent offered the following in rebuttal to the discrepancies cited by Appellants. In reference to the heating and air conditioning, there was a negative \$9,250 adjustment for heating and \$0 value for air conditioning according to the County's assessment record. After a telephone conversation with Appellant, the County adjusted the number of bathroom fixtures to reflect the number reported by Appellants. It was noted the corrections would take effect for the 2008 tax year. As for the type and number of rooms included in the residence, the Assessor explained the residence is valued by overall square footage rather than by the number and type of rooms. This information will be corrected in the subject assessment record.

The County explained square footage is determined by measuring the exterior of a structure. Respondent speculated the square footage reported in subject's construction plans was derived from interior measurements, which would result in a square footage discrepancy.

In reference to the price per square foot of subject, the County asserted the assessed value of \$470,130 included the garage and deck of subject, but that the home itself was valued at \$169 per square foot.

Finally, the Respondent asserted that the fee appraisal performed by Clearwater was done for refinancing purposes only and that the Assessor's Office never received a copy of the report.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-201(10) defines market value:

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Respondent submitted two sales to support subject's assessed value. The lot size was unclear in the record.

Appellants had subject appraised in October 2006 and presented the fee appraiser's opinion of subject's value of \$430,000.

The burden of proof standard is one of preponderance, ". . . a preponderance of the evidence shall suffice[.]" Idaho Code § 63-511(4) (2006). We are convinced from the Appellants' information, subject value is overestimated. We find Appellants have met the

burden of proof and a reduction in the assessed value of subject is warranted.

Therefore, the decision of the Valley County Board of Equalization is modified, reducing the value of subject improvements to \$430,000.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease to \$430,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED April 3, 2008